

EXALCO FINANCE p.l.c.

Half-Yearly Report
30 June 2021

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Half-yearly directors' report

This Half-Yearly Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The condensed financial statements included in this report have been extracted from Exalco Finance p.l.c.'s unaudited financial information for the six months ended 30 June 2021, prepared in accordance with International Financial Reporting Standards as adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This half-yearly report has not been audited or reviewed by the company's independent auditors.

Trading performance

The company

The company's principal activity is to carry on the business of an investment company, by raising funds to finance the operations and capital projects of Exalco Properties Limited, a main operating company forming part of Exalco Group.

Finance income amounting to €369,401 (2020: €370,608) is generated from a facility fee and interest charged on the loan advanced to Exalco Properties Limited. Financial costs comprise interest payable on the bond issue and amortisation of the issued costs thereof amounting to €312,534 (2020: €314,178). Profit before taxation for the six-month period under review was €23,211 (2020: €27,159).

The directors do not anticipate any significant changes during the forthcoming six months.

The Guarantor

The Guarantor generated revenue of €2,457,888, an increase of €165,055 over the comparative period. This increase is mainly attributable to additional rental streams emanating from the Phoenix Business Centre after the remaining portions of the final level were leased in September 2020, as well as increases in rental rates bringing them to market rates for certain office premises. These factors contributed to a profit before tax of €1,364,757.

The Guarantor envisages occupancy levels in the next six months to remain close to 100% in all its buildings, although its directors remain alert to external market factors, particularly the impact to the economy that may be caused by the continuation of the pandemic as well as Malta's continued ability to attract investment from abroad.

Half-yearly directors' report - continued

Dividends

The directors do not recommend the payment of an interim dividend.

Director's statement pursuant to Listing Rule 5.75.3

We hereby confirm that to the best of our knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the company as at 30 June 2021, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Listing Rule 5.81.



Alexander Montanaro
Director



Jean Marc Montanaro
Director

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Malta

05 August 2021

Condensed statement of financial position

	Note	As at 30 June 2021 € (unaudited)	As at 31 December 2020 € (audited)
ASSETS			
Non-current assets			
Loan receivable from fellow subsidiary	3	14,971,500	14,971,500
Current assets			
		677,323	377,406
Total assets		15,648,823	15,348,906
EQUITY AND LIABILITIES			
Equity and reserves			
		324,185	309,097
Non-current liabilities			
Borrowings		14,787,500	14,772,500
Current liabilities			
		537,138	267,309
Total liabilities		15,324,638	15,039,809
Total equity and liabilities		15,648,823	15,348,906

The notes on page 7 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 3 to 7 were authorised for issue by the board of directors on 05 August 2021 and were signed on its behalf by:



Alexander Montanaro
Director



Jean Marc Montanaro
Director

Condensed statement of comprehensive income

	Six months ended 30 June	
	2021 € (unaudited)	2020 € (unaudited)
Finance income	369,401	370,608
Finance costs	(312,534)	(314,178)
Net interest income	56,867	56,430
Administrative expenses	(33,656)	(29,271)
Profit before tax	23,211	27,159
Tax expense	(8,124)	(9,506)
Profit for the period - total comprehensive income	15,087	17,653

The notes on page 7 are an integral part of this interim condensed financial information.

Condensed statement of changes in equity

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2020	250,000	25,007	275,007
Profit for the period – total comprehensive income	-	17,653	17,653
Balance at 30 June 2020	250,000	42,660	292,660
Balance at 1 January 2021	250,000	59,097	309,097
Profit for the period – total comprehensive income	-	15,088	15,088
Balance at 30 June 2021	250,000	74,185	324,185

The notes on page 7 are an integral part of this interim condensed financial information.

Condensed statement of cash flows

	Six months ended 30 June	
	2021 € (unaudited)	2020 € (unaudited)
Cash flows from operating activities	667	35,692
Net movement in cash and cash equivalents	667	35,692
Cash and cash equivalents at beginning of period	127,108	44,336
Cash and cash equivalents at end of period	127,775	80,028

The notes on page 7 are an integral part of this interim condensed financial information.

Notes to the half-yearly report

1. Basis of preparation

This condensed interim financial information for the period ended 30 June 2021 has been prepared in accordance with IAS 34, 'Interim financial reporting'. They have been prepared under the historical cost convention. These financial statements have not been audited nor reviewed by the company's independent auditors. The condensed interim financial information should be read in conjunction with the financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRSs as adopted by the EU.

2. Share capital

	30 June 2021 €	31 December 2020 €
Authorised, issued and fully paid up 250,000 ordinary shares of €1 each	250,000	250,000

3. Related party transactions

The company forms part of the Exalco Group of Companies. All companies forming part of the Exalco Group are related parties since these companies are all ultimately owned by Exalco Holdings Limited, which is considered by the directors to be the ultimate controlling party. Trading transactions between these companies include items which are normally encountered in a group context. The group is ultimately fully owned by members of the Montanaro family, who are therefore considered to be related parties. The main related party with whom transactions are entered into is Exalco Properties Limited, the guarantor of the borrowings.

The principal transactions carried out with related parties during the period are outlined below:

	Six months ended 30 June	
	2021 €	2020 €
Finance income from fellow subsidiary	303,336	305,838
Facility fee from fellow subsidiary	66,065	64,770
	369,401	370,608

The company's balances with fellow subsidiary as at the end of the period is as follows:

	30 June 2021 €	31 December 2020 €
Loan receivable from fellow subsidiary	14,971,500	14,971,500